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Wrestling with “conflict of interest” in sport management

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Abstract

Purpose – The purpose of this paper is to discuss how the relationship between sport and business has increased the complexity of ethical issues affecting contemporary sport management. Specifically, this paper seeks to define conflict of interest and how it is manifested in both business and sport.

Design/methodology/approach – The paper provides a conceptual discussion of the issue of conflict of interest as it relates to the management and governance of sports organizations. Relationships between business ethics, governance and sport management are examined in the quest to understand conflict of interest and its prevalence in and relevance to sport management.

Findings – Conflicts of interest within the sport industry may have the same structural elements as those occurring in mainstream business, such as benefits, obligations and issues of trust, but it is the higher societal expectations and values placed on sport and sporting organizations that provide the key points of difference.

Practical implications – Through collaboration with sport management practitioners, via inductive in-depth research, a clearer definition of conflict of interest and the range of situations in which it may occur can be developed. It is through a continued research effort in this area that sport managers will be better able to both identify and manage conflicts of interest as they occur.

Originality/value – It is the lack of definitive examples or guidelines for recognition of an actual or a potential conflict of interest that appears to cause the greatest confusion within sport management. By drawing together the key concepts found within the extant literature, a clearer understanding of what constitutes a conflict of interest is provided by this paper.
Introduction

Decision making in sport organizations is complicated because decisions impact diverse groups of people (athletes, fans, the community, business, the media) whose interests are often in conflict. While weighing decisions regarding these issues, sport managers may consider financial costs, the effect on the team and the league’s reputation, the law, and the impact on winning games (Pike Masteralexis et al., 1998). One aspect of complex decision-making is the potential for conflict of interest to arise. The concept of what constitutes a conflict of interest is elusive and subject to dispute, as authors struggle to define the variety of roles, responsibilities, interests and organizational settings that contribute to identifying a conflict of interest.

Increased media and public attention has brought about a greater awareness of conflict of interest situations. In particular, experts and professionals are expected to justify their views and decisions (Vallance, 1995). Post et al. (1996) noted that “the general public expects business to exhibit high levels of ethical performance and social responsibility. Companies that fail to fulfil this public demand can expect to be spotlighted, criticized, curbed and punished” (p. 91). Investment in sport, both financial and social, places higher levels of expectation on those who are involved both on and off the playing field. This importance is identified by Tatz (1986) who stated that “modern sport is ... always serious. It is organized; it is an industry; it is business; money; vested interests; it is a medium of and for ideology, prestige, status, nationalism, internationalism, diplomacy and war” (p. 47).

Research in the broader field of business ethics (Felo, 2001; Milton-Smith, 1997; Turnbull, 1999) has demonstrated concern about conflicts of interest within corporations. Survey evidence indicates that a majority of firms with ethics programs do address potential conflicts of interest, and business executives generally view potential conflicts of interest as ethical issues that firms should address (Felo, 2001). The Australian sport industry is no exception to this concern. The Australian Sports Commission, the peak government body for sport in Australia, advocates provisions for conflicts of interest to be taken into account in the governance of national sporting organizations (Australian Sports Commission, 2004).

The governance and management of sporting organizations in Australia is continually evolving as it progresses on its path from the amateur and volunteer based organizations established throughout the twentieth century, to an increasingly professionalised and bureaucratised sport system today. Progress towards a “professional” sport management model occurs differently across the wide variety of sports and sporting organizations, resulting in many cases in changes to management and governance structures on an “as needed” basis. It could be expected therefore that the identification and management of ethical issues and the potential for conflict of interest within Australian sport organizations would follow a similar process of development and implementation.

The purpose of this paper is to advance the understanding of how the strengthening relationship between sport and business has increased the complexity and number of ethical issues affecting modern sport management, specifically with respect to the occurrences of conflict of interest.
Business ethics, sport and sport management

Research in sport ethics has traditionally focused on the ethical dimensions of the sport the event and the athletes. The application of the principles of ethics to the management and organization of sport is a relatively recent phenomenon. The impact of business practices and business culture on sport has occurred as a result of a societal change towards more ethical behaviour of organizations and changes and the development of the sport industry. This contention is supported by Doig (1994) who argued that “recognition of, and unease with, the growing links between sport and business within the sporting community, has fanned the embers of the ethical debate as far as sports managers are concerned” (p. 268). The commercialisation of sport and the influences of the media have been viewed by many as contributing significantly to the “corruptive” nature of the sport setting (DeSensi and Rosenberg, 2003).

DeSensi and Rosenberg (2003) describe sport management ethics as an applied area of moral philosophy, where ethical theories and principles are applied to try to understand, examine, and resolve particular moral dilemmas in sport management. According to a report commissioned by the Australian Sports Commission in 2003 entitled “Ethics in Sport – research with individuals and organizations in Australian sport”, ethics are defined as; “about respect, integrity, justice, democracy, fairness, equity, doing the right thing and duty of care for participants, officials, administrators, coaches and the public (e.g. spectators)” (Daly, 2003, p. 3). The increasing professionalisation of sport and sport management has highlighted the links between professionalism and the desirability of ethical management behaviours. Sport managers are not only responsible for the management and organization of sport, but are also responsible for addressing ethical questions, such as those pertaining to professionalism, equity, legal management, personnel issues and the social justice associated with all levels of sport (DeSensi and Rosenberg, 2003).

Sport managers are faced with a myriad of ethical decisions. In Australia, those individuals involved in national and state sport organizations have been faced with significant external sources of pressure; political pressure where funding is tied to performance; corporate pressure where performance is associated with sponsorship dollars and public pressure for athletes to win and for programs to be successful both domestically and internationally (Malloy and Zakus, 1995). The Athens Olympic Games in 2004 provided an example of these external sources of pressure. The relatively poor performance of the Australian athletics team resulted in the governing body, Athletics Australia, receiving intense public attention and criticism. The primary focus for this criticism appeared to be a perception of insufficient return (i.e. medals) on investment (i.e. public funding) (Schlink and Moscaritolo, 2004).

Governance and the Australian sport system

The continual evolution of the governance and management of sporting organizations in Australia, in particular structural changes to both management and governance has been an area of interest to a number of researchers (Auld and Godbey, 1998; Hoye and Auld, 2001; Hoye and Cuskelly, 2003a, b; Inglis, 1997; Shilbury, 2001). The professionalisation and bureaucratisation of Australian sport have not occurred in a structured or systematic
manner instead they appear to have evolved in a more organic manner, with changes being identified and implemented as required by each individual sporting organization.

Corporate governance has come to mean more than the mechanistic internal processes of approval and control. Milton-Smith (1997) argued that corporate governance has developed into an expectation of setting higher standards of accountability for decision-makers in response to the public demand for greater transparency. This proposition is supported by Francis (2000) who noted that the term “corporate governance” has come to imply good, in both the non-moral as well as the moral sense. Corporate governance in the non-moral sense has come to mean efficient decision-making, appropriate resource allocation, and strategic planning, whereas in the moral sense, corporate governance has come to be seen as promoting an ethical climate, due diligence, and an attention to directors' duties.

The convergence of corporate governance and business ethics has seen academics, business leaders, the media and the community starting to pay attention to what the two terms should mean when they are linked (Driscoll, 2001). What makes this issue even more interesting is the notion that corporate governance is already a complex and contested issue, which becomes even more problematic when ethical considerations are taken into account (Collier and Roberts, 2001).

The increased expectations of society on the roles and accountabilities of organizations have resulted in an increased focus on governance by these organizations, as a method of ensuring and protecting their reputation. Authors such as Francis (2000) and Hopen (2002) suggested that the day-to-day management of an organization’s ethics can be seen as a critical determinant of success, as it is linked to the reputation that the organization will have with all key stakeholders. Any unnecessary tensions, adverse publicity, and damage to one's reputation that flow from any breach of the organization’s ethics work to the detriment of good governance. Arguments such as these suggest a clear connection between governance and ethics that are implemented via the development of governance structures such as codes of ethics, ethics management systems, and corporate ethics programs through which organizations control, protect, and develop the integrity of their organization (Wieland, 2001).

The relationship between the internal responsibilities and controls of governance, and those externally mandated through the legal system is the subject of much discussion. Dalton (1996) argued that “while there is a need for laws to protect society from those who are not ethically responsible, the reality is that ethical corporate practice is best controlled by the members of the board, in other words, by a responsible corporate culture” (p. 179). The ability of legal regulation to develop ethical organizations and accountable governance structures is limited, as the law can only provide a basic framework of procedure and accountability, however, good corporate governance must go further (Farrar, 2001).

**Ethical sport management**

The connection between professional sport management and ethics has been noted by a number of authors (Branvold, 1996; Zeigler, 1992). Branvold (1996) stated that “as sport management strives to move toward a greater professional status, the aspect of autonomy
does have particular relevance with regard to ethics” (p. 155). Zeigler (1992) commented that “sport management has not yet done as well as some of the highly recognised professions in developing and enforcing carefully defined professional obligations” (p. 8).

DeSensi and Rosenberg (2003) discussed how the delivery system of sport, which includes consumers, participants, and employees, must be guided by sound ethical principles, where moral values such as goodness, fairness, justice, equity, and rights, form the foundation of many managerial decisions and actions. In addition, the media and public interest in the behaviors of those involved in sport, as athletes or managers are being scrutinized more now than ever before. This public interest has meant that for sports organizations and their athletes “as long as the monetary value of winning permeates the sports world, the challenge of acting in an ethical manner will always be present” (DeSensi and Rosenberg, 1996, p. 8).

In light of this increased interest and scrutiny of the behaviors and the decisions of athletes, sport organizations and those who manage and govern these organizations indicate that increased attention on the role of ethics within sport management is required. This position is supported by DeSensi and Rosenberg (1996), who stated that “present breaches in ethical practices within our society, as well as in sport and in sport management specifically, require that critical attention be given to ethics” (p. 5). In addition, according to Daly (2003) in light of the increasing competition between sports to attract sponsors, there is a relative increase in conflicts of interest amongst sport policy makers and administrators.

In spite of an increased focus on ethical issues, there is a general lack of understanding or appreciation for ethical theories and their relevance to sport, a point clearly noted by DeSensi and Rosenberg (2003); who wrote that “whereas the established literature on ethics and morality is enormous, there are relatively few available works that specifically address these subjects in relation to sport management ... The relatively small body of knowledge in these areas also created obstacles toward building efficacious ethical models” (p. 3). This argument is supported by Daly (2003).

One area of specific concern to high profile, professional sport clubs is that of conflict of interest. As directors, CEOs and those involved in the management of sport undertake increasingly complex roles, duties and responsibilities, an understanding of conflict of interest within a sport management context will be essential.

**Conflicting interests or conflict of interest?**

Sport can mean different things to different people. Each individual in society plays several roles and occupies several positions and typically one of these positions is the most important one to that individual. Multiple roles are commonly found across sport organizations. An example drawn from the sport of cricket can be found where an ex-Test Match captain concurrently held roles in coaching, team selection, national board member, state delegate, commentator and membership of an International Cricket Council panel (McFarlane and Barrett, 2002).
Any discussion of conflict of interest will identify that the complexity of such situations is increased through the occurrence of multiple players and multiple conflicts (Demski, 2003). Multiple positions within an organization; perhaps board members, agents, management and other stakeholders all hold different roles and interact within different situations, creating additional opportunities for conflicts of interest to occur.

The holding of multiple roles can lead to a situation where the interests of each role are conflicting, but is this a conflict of interest? Margolis (1979) provided a detailed discussion on the distinctions between having “conflicting interests” and a “conflict of interest”. Margolis (1979) noted that conflicting interests are identified where each interest is legitimate, independent of the other, whereas a conflict of interest is a situation where one or the other of the interests may not be independently legitimate.

Conflict of interest occurs simply because of the plural roles that individual persons occupy – therefore there is an obligation to avoid acting within an avoidable relationship, by divesting oneself of one or more of the roles. As a result of this reality of people holding multiple roles, there is inherent ambiguity in what may be viewed as a conflict of interest. A conflict of interest is, fundamentally, a matter of intention. Boatright (2000) reinforced the notion that a conflict of interest is not merely conflicting interests, but a situation where a personal interest comes into conflict with an obligation to serve the interest of another. It is in this definitional area that the greatest confusion and contention occurs.

**Conceptualising conflict of interest**

As with many concepts within business ethics, an agreed definition of the term “conflict of interest” has been elusive, however there are some common themes and terminologies in the literature. The inherent tension within a conflict of interest is the balance between the roles and responsibilities of business; such as: interest, benefit and damage and professional judgment, with the moral values and concepts of ethics; of obligation and duty, voluntary behaviors and trust.

**Interest**

One of the fundamental concepts within a conflict of interest is that of “interest” itself. Boatright (1992) stated that “a conflict of interest may be described as a conflict that occurs when a personal interest interferes with a person's acting so as to promote the interest of another when the person has an obligation to act in that other person's interest” (p. 191). An interest has been defined by Luebke (1987) as “some actual share or right on the basis of which one can materially gain or lose. It does not mean an affection for some person, a feeling of sympathy for some cause, or a desire for some area of activity” (p. 68).

A personal or financial interest in the sport industry also has the potential to cause a conflict of interest. A recent example of this is the case of a professional horseracing media commentator with a financial share in an Australian Group One thoroughbred racehorse. In this case, the conflict is not in the owning of the racehorse itself, but in the fact that the person in question is also an official commentator. The commentator has been subjected to accusations of bias in calls when the horse is running, with suggestions from both the media
and the gambling community that he should step aside (Dunn, 2002). In this case, the interest in question is clearly not one of which the commentator can materially gain or lose, but which has the potential to compromise the commentator's ability to act. The refusal of the British government to allow Murdoch's BSkyB television company to take over Manchester United provides an additional example where due to personal or financial interest, the situation was deemed to be an unhealthy conflict of interest (Hughes, 2004).

**Benefit and damage**

In most instances of conflict of interest, there is an understanding of some benefit, be it financial, empire building, nepotism, influence activities, or intangible interests (pride and self esteem), attributable to the situation. Boatright (1992) stated that the benefit of advantage usually restricted to financial gain and limited to something tangible, also has to be substantial enough to interfere significantly with a person's performance of an obligation. Other examples may include; using a role to serve one's own advantage, using information for one's own benefit or misappropriation of confidential information. This distinction is noted by Carson (1994) who argued that “conflicts of interest are an integral feature of many professional relationships and do not (as is often supposed) require the existence of “external” financial or personal relationships” (p. 387).

The potential benefits within a sport management conflict of interest can be wide and varied. An example would be of a sport broadcaster, with coaching or board responsibilities, who will have access to information that other sport broadcasters do not. Alternatively, professionals from an industry providing services to sport competitions and organizations holding board responsibilities in these sports may have access and influence denied to their competitors. One of the key concerns regarding a conflict of interest is the possibility of advantage of one party over another. Luebke (1987) noted that the primary reason for the declaration of a conflict of interest is to reduce damage; “to label a situation as a conflict of interest is to provide a prima facie reason (i) for restriction (self or external) of the activity and (ii) for partial disclosure of the financial, commercial, political, or familial relationships” (p. 66).

The damage, potential or actual, caused by a conflict of interest within a sporting organization is largely dependent upon each individual situation, and the potential for loss or gain. A sport broadcaster who appears to favor one team over another may result in frustrating one segment of the audience, however a board member drawn from industry who gains a competitive advantage has the potential to significantly damage their competitors' ability to gain a contract for the provision of goods or services. It is this concept of benefit and damage that is most clearly identified in the public and media interest in sporting conflicts of interest, where the inherent tension between the ideals of sport and the reality of the ever-increasing integration of sport and business is most apparent.

An example of the potential for “unfair” benefit can be found in Canada, where the Chair of the Maple Leaf Sports and Entertainment company was responsible for overseeing two television channels as well as two major league clubs. In addition, he also held a major financial interest in a Toronto based production company. Critics suggested that the private
business relationships, via the stake in the production company, could have provided an unfair advantage or benefit when bidding for future television rights (Houston, 2003).

**Professional judgement**

Davis’s (1982) definition of a conflict of interest focused on the concept of judgment as integral to the understanding of conflict of interest situations, describing judgment as “the capacity to make correctly, decisions not as likely to be made correctly by a simple clerk with a book of rules and access to all the facts (and only the facts) the actual decision maker has. Judgment implies discretion” (p. 22).

Luebke (1987) also makes mention of the role of judgment in that “any person or organized group capable of deliberate judgment or action and who acts or is empowered to act in a fiduciary role can have a CI” (p. 68). Solomon (1996) noted a requirement to return to the use of judgment in conflict of interest situations – “the fact that our roles conflict and there are often no singular principles to help us decide on an ethical course of action shifts the emphasis away from our calculative and ratiocinative faculties and back towards an older, often ignored faculty called ‘judgment’” (p. 35).

The professionalisation of roles has led to an increase in the independence of action and consequently the use of professional and autonomous judgment in the decision making process. The premise of these arguments is that if the situation is heavily regulated or process oriented, then the opportunity for judgment is limited, and subsequently the chance of a conflict of interest occurring is decreased. The increasing professionalisation of sport management has resulted in an increase in the complexity of relationships and decision-making processes within sporting organizations.

**Obligation and duty**

An obligation or duty to another, client, employer or organization, is a key ethical concept that assists in the definition of a conflict of interest, as conflict hinders, or has potential to hinder the discharge of duties. Carson (1994) defines the importance of duty, and notes that a conflict of interest may impact on the fiduciary duties of those in positions of authority and responsibility, such as directors, auditors and accountants.

A conflict between the duties and obligations of salaried employment and an honorary position on a board of directors is one of the more commonly reported conflict of interest situations. An example of this type of conflict can be found in the Californian Horse Racing Board, where five of the seven board members actively own or breed racehorses in the state, and at least six acknowledge that they gamble at the track. Their duties as board members hold considerable power: setting racing dates, making rules, enforcing drug testing and selecting the executive director to carry out policies. It is a clear conflict to stack the board with representatives of the industry, as even if impartiality is not lost, the appearance of impartiality may be seen to be lost.

**Voluntary and avoidable**
Independence of action, choosing whether or not to enter into an agreement, or act in a situation, is another critical concept that can assist in the understanding of conflict of interest. The idea that a conflict of interest is a voluntary or avoidable situation is identified by some authors, in that the person with the conflict of interest has a choice whether or not to enter that situation. Luebke (1987) stated that “entering into or continuing in the relationship must be voluntary for the party open to the CI” (p. 68). In addition to the concept of voluntary involvement, Boatright (1992) observed that the term “conflict of interest” generally implies some wrongdoing that an agent has an obligation to avoid.

It must be acknowledged that there are some situations that may be categorized as a conflict of interest that are unavoidable, and are therefore better categorized as competing or conflicting interests. Ownership of shares in management agencies, or owning shares in clubs, are clearly avoidable and voluntary situations. By divesting of these commercial interests, the conflict of interest no longer exists.

**Conflict of interest as morally wrong or a violation of trust**

The final key ethical concept within the definition of a conflict of interest is that of the conflict being morally wrong, through the violation of trust. Luebke (1987) stated that “there is nothing wrong with having, being in or finding oneself in (a CI); the moral prescriptions concern choosing to enter or avoid them and acting consequent to being in them … Although being in a CI is itself not wrong, it is … usually an unwelcome situation, and to remain in a CI without attempting to alter the situation merits moral suspicion” (p. 70).

Francis (2000) reinforced this argument stating that; “the notion of conflict of interest is where a reward or belief (real or perceived) is likely to compromise the objectivity of commercial judgment. It is the institution of this inequitability in the conflict of interest that offends our sense of moral propriety” (p. 120). The sense of conflict of interest as a moral wrong or a violation of trust is that which is felt most strongly in conflicts of interest within sport management. The general public, media and governments expect “more good” and accept “less bad” from sporting organizations, particularly non-profit sporting organizations. These expectations, whether realistic or justified, are the key to understanding the focus of the public on conflicts of interest in sport.

In summary, the extant literature suggests a number of common themes utilized when discussing conflict of interest: interest, benefit and damage, professional judgment, obligation and duty, voluntary and avoidable and morally wrong or a violation of trust. It is the balancing act between the role of business and the social expectations of sport that makes the understanding of conflict of interest most significant.

**Implications for sport management**

**Potential conflicts of interest**

A number of authors (Carson, 1994; Davis, 1982, 1993; Demski, 2003; Felo, 2001; Golden-Biddle and Rao, 1997; Luebke, 1987; Margolis, 1979) have discussed the distinction between actual and potential conflict of interest – where a person acts against the interests of
another versus the possibility of the act, although not yet done so. An interest, whether potential or actual, has the possibility to interfere with the performance of duty. Regardless of whether a conflict of interest actually occurs or not, the perception of a conflict of interest is just as potentially damaging for the person and the organizations involved, as if one appears unethical, this can have the potential to affect public confidence in the organization or to extend across the whole sector (Hadfield, 2004).

Wood and Rentschler (2003) commented on the importance of reputation to non-profit organizations when they contended that: “A good reputation is difficult to achieve, but easy to lose. If one examines the corporate world and uses it as a salutary warning to the non-profit sector, one can see just how transient and fragile an organization's reputation can be” (pp. 528-532).

Conflict of interest situations in sport management may have the same structural elements as those occurring in mainstream business, such as: benefits, obligations and issues of trust, however the societal expectations and values placed on sport and sporting organizations is higher, and in light of these perceptions, the public interest is heightened. The increased focus on sport governance, ethics and conflicts of interest, highlights the role ethics play in the governance of sporting organizations.

**Managing conflicts of interest**

The national coordinating bodies for sport in Australia (Australian Sports Commission, 2004), Canada (Sport Canada, 2002) and the United Kingdom (UK Sport, 2004) all address conflict of interest at a policy level in some way, either via a code of ethical conduct, or a specific conflict of interest policy. In addition, the International Olympic Committee (IOC) includes a provision for conflict of interest in its Code of Ethics (International Olympic Committee, 1999).

If it is acknowledged that there is a diverse range of potential conflicts of interest within sport management, then the issue of avoiding these, or what actions are taken within them, become the greater focus, for sport management practitioners in particular. Demski (2003) noted that “the novelty … is not the presence of conflicts of interest, but their management” (p. 52). Although acknowledging that there is no agreed position on the effectiveness or otherwise of corporate ethical policies, organizations have devoted resources and developed self-regulatory systems to “identify, avoid, abort, diffuse and resolve” conflicts of interest (Shapiro, 2003, p. 125). Self-regulatory structures can range from development of a formal policy and ongoing disclosure of conflict of interest situations to obtaining informed consent from the effected parties and independent reviews.

Self-regulatory structures to manage conflicts of interest are common in the Australian sport industry. The Australian Sports Commission (1999) requires board members of national sporting organizations to declare any conflicts of interest relating to carrying out their duties as board members. The Board should have a conflict of interest policy that describes the processes to be followed when a conflict is identified. Typically when a conflict of interest is identified, the board member concerned is required to leave the room and play no part in any discussion or vote on the issue relating to the conflict of interest.
Although a conflict of interest can occur in a wide variety of roles, it is the role of the key decision makers, the Board of Directors, who guide the development of sport that receives the greatest attention and focus. The importance of governance and leadership in sporting organizations is highlighted by DeSensi and Rosenberg (2003) who note that “the basic philosophy and traditions of the organization or business and the individuals who are responsible for its leadership set the tone for the behaviour that is to be followed” (p. 11). Unlike a mainstream business organization, Coakley (2004) points out that amateur sports do not have owners, but do have an association with sponsors and governing bodies that have control over sanctioned events, rules and athletes. “Increasingly complex issues confronting the modern sport manager have also flowed through to the board influencing the type, style and nature of governance of sporting organizations” (Shilbury, 2001, p. 253). Senior management and directors are increasingly being sought, not for their sporting expertise or experience on the field, but for their skills in business and management practices. For example, the recently appointed chief executive officer of the Australian Soccer Association, was quoted as saying he knows nothing about the “intricacies of the game” and is “not a soccer aficionado” (Gatt, 2004, p. 51).

In the broader business community, increased emphasis is being placed on business ethics and corporate governance. Daly (2003) hopes that “sport can learn from the business sector and take seriously the inevitable changes occurring in sport governance and business practices. The extent to which an ethical framework for sport business practices can be established will depend on the way sport can learn from the traumatic changes in corporate governance that are now taking place” (p. 8). In addition to the need for improvements to sport governance, Daly (2003) continued by noting that the increased surveillance by governments at all levels, is based on the concern that funds are allocated equitably and to meet government agendas.

The exposure and increased public and media attention on sport business practices and governance of sporting organizations has identified the need to address ethical issues in the management of sporting organizations, off-field as well as on. As noted by Daly (2003), “good business practices depend on ethical leadership and management. A prerequisite for good sports governance is an awareness of the changing societal cultures and values and attracting people to fulfil positions of leadership in sports organizations” (p. 13). Public criticism of self-regulation of conflicts of interest within sport management has identified dissatisfaction with the way some conflicts of interest are managed. The public, media and government expectations of the ethical conduct of sporting organizations reflects the importance placed upon sport by the Australian community.

Conclusion

The role that sport has played, and continues to play in society and culture can only be described as significant. Inherent in the management of sport are the tensions between the roles and responsibilities of sport as business, and sport as an ethical and moral aspect of society. Conflicts of interest within the sport industry may have the same structural elements as those occurring in mainstream business, such as benefits, obligations and issues of trust, but it is the higher societal expectations and values placed on sport and sporting organizations that provide the key point of difference.
The increased focus on sport governance, ethics and conflicts of interest, highlights the role ethics play in the governance of sporting organizations. The management of conflict of interest within sport organizations has become a focus of a number of national sport governing bodies, such as the Australian Sports Commission and UK Sport. This focus has come about in an attempt to establish and implement good governance practices and principles within the sports industry, each with their own code of ethics, or specific policy for conflicts of interest. Although these organizations have developed some provisions and guidelines for managing conflict of interest, there are no guidelines or definitions to assist sport organizations to recognize a conflict of interest in the first instance. It is this lack of definitive examples or guidelines for recognition of an actual or a potential conflict of interest that appears to cause the greatest confusion within sport management.

By drawing together the key concepts found within the extant literature, a clearer understanding of what constitutes a conflict of interest is provided by this paper. These concepts demonstrate the balance inherent within a conflict of interest in sport management: that of the role of professional sport as a business, and that of sport itself as a vehicle for expression of the community's ethics and moral values. The framing of conflict of interest within the broader social environment provides an understanding of the impact and influence of societal expectations and values upon conflict of interest within sport management.

Future research efforts involving the sport industry and key decision-makers within sport organizations will seek to further develop and consolidate the understanding of conflict of interest within sport management. Through collaboration with sport management practitioners, via inductive in-depth research, a clearer definition of conflict of interest and the range of situations in which it may occur can be developed. It is through a continued research effort in this area that sport managers will be better able to both identify and manage conflicts of interest as they occur.

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